

Based upon a 5-31-07 finding of the Michigan Court of Appeals in *Miller v Allstate*, the Department has revised the requirements for real estate broker license applicants. The Corporation Division has posted information regarding this court finding which can be accessed under their page's "Spotlight" at:

[http://www.michigan.gov/documents/cis/Website\\_update\\_re\\_Miller111\\_203547\\_7.pdf](http://www.michigan.gov/documents/cis/Website_update_re_Miller111_203547_7.pdf)

Broker license applicants will immediately be required to:

- Be formed and filed with Corporations Division as a Professional Corporation (PC)
- Have at least one designated corporate officer (of the PC) listed and licensed as the principal associate broker
- Be formed so that all corporate officers, shareholders and/or directors listed on the license application hold, or will hold, real estate licenses; salespersons can be shareholders or directors, but if not a corporate officer (president, vice president, secretary or treasurer). Salespersons sign a Stipulation that they will not act as an associate broker; this will continue and be in compliance with the court case.

The court case will not affect processing of broker license applications for LLC's or PLLC's. These entities can apply without all of the members being real estate licensees.

No action will be required of existing licensed broker corporations. These licensees should contact legal counsel if they have questions about how the court's findings may affect the operation of their entity.